

file

3 April 1968

Mr. Coffey:

Late yesterday Colonel White buzzed Mr. Bannerman and wanted to know where the "Retirement Policy" paper was. Mr. Bannerman checked and advised him that it was in his (Colonel White's) office. It is possible he may be calling a meeting of the Deputies on this subject.

Attached is our copy.

Miriam

Next 1 Page(s) In Document Exempt

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ROUTING AND RECORD SHEET

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SUBJECT: (Optional)

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Personnel 17

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| FROM: | | EXTENSION | | NO. |
| Director of Personnel 5 E 56, Headquarters | | | | DATE 1 MAR 1968 25X1 |
| TO: (Officer designation, room number, and building) | DATE | | OFFICER'S INITIALS | COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.) |
| | RECEIVED | FORWARDED | | |
| 1. Executive Director- Comptroller 7 E 12 | | | | <p>1. The draft of the retirement policy paper which was sent to you on 20 February 1968 was at your direction distributed for comment to the Deputy Directors, the General Counsel, and the Inspector General. All responded.</p> <p>Attached is a new draft of the paper. Please note the change in paragraph 3a(1) suggested by the General Counsel and the deletion of the word "voluntary" in paragraph 5a suggested by the DD/P, DD/I, and O/DDS&T.</p> <p>Both the DDS and the DDI have requested that an additional recommendation be added to paragraph 5. While the substance was in the same general area, i.e., permitting extensions on a need-for-service basis, the suggested recommendations are different in terms of approach and scope. For your convenience, I am quoting below the two recommendations:</p> <p>DDI: "The particular professional requirements of a directorate be recognized as legitimate grounds for seeking <u>substantial</u> numbers of exceptions from the Director." (Emphasis supplied)</p> <p>DDS: "In a <u>limited</u> number of cases the Deputy Director concerned may recommend an extension of the retirement date for individual personnel whose continuing production and essentiality is deemed necessary for the efficient operations of the Directorate concerned." (Emphasis supplied)</p> <p>(continued)</p> |
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| 12. <i>DD/S DISTRIBUTION:</i> <i>OR 76-6-EXDIR-COMPT ON 6 MAR</i> <i>X-DD/S SUBJECT</i> | | | | |
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FORM 2-62

USE PREVIOUS EDITIONS

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ROUTING AND RECORD SHEET

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| | RECEIVED | FORWARDED | | |
| 1. | | | | <p>Additional suggestions for inclusion in this paper were made. For example, the DD/S has suggested for consideration a recommendation referring to the need for further study as to the means by which recompense can be provided for persons who retire early under the Civil Service System and the CIA System. The DD/P included a substantially similar item in his comments. Also, the DD/I believes that a rationale should be included in this paper. On the matter of the rationale the General Counsel and [redacted] have raised the possibility of developing a rationale only for the professional staff and not applying it to others such as chauffeurs, receptionists, clerical, etc. May I suggest that you convene an early meeting of the Deputy Directors, General Counsel, Inspector General, [redacted] and me in order to resolve more quickly some of the differences noted above as well as to consider other suggestions offered.</p> <p>/s/ Robert S. Wattles</p> <p>Robert S. Wattles Director of Personnel</p> |
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FORM 1-62

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DRAFT 1 MAR 1968

DD/S 68-1001

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Retirement Policy

1. This memorandum submits recommendations for your approval; such recommendations are contained in paragraph 5.

2. As you know, the Agency's retirement policy has been the subject of much discussion and review these past few months. To accelerate completion of the review so as to be able to submit specific recommendations to you, I convened a meeting on 8 February 1968. Present were each Deputy Director, the General Counsel, the Inspector General, the Director of Personnel, and in his capacity as Chairman, CIA Retirement Board. A detailed agenda, attached at Tab A, was prepared in advance. A record of our discussion is attached at Tab B.

3. Summary

a. Our discussion was based on two assumptions:

(1) The Director has apparent legal authority to enforce an early retirement policy based on the Agency's particular requirements in the field of personnel management.

(2) Legislation of any kind is difficult to obtain. Hence, we must first try to settle those things which we can do without legislation and then proceed to those things which are desirable but which would require legislation.

b. The principal issue, and that from which all others flow, is

whether the Agency should have a policy requiring retirement earlier than provided by law under the Civil Service Retirement Act, or the CIA Retirement and Disability System, for GS-18's and above. After considerable discussion, it was the consensus that there should be an early retirement policy with a stipulated age at which most employees should leave. At the same time, it was recognized that because the Directorates have different problems, Agency policy should be flexible enough to permit liberal exceptions when justified. This appears to be particularly true in the Intelligence Directorate because of the various types of professional employees needed and because these professionals often are individuals who have prepared themselves through academic study for long-range professional careers where an arbitrary retirement age would not be a condition of employment. It is essential, also, that a rationale for this policy be prepared so that it will be understood by our employees or in the event it becomes necessary to explain the policy to Congressional committees or in court.

c. Having reached agreement that the Agency should have an early retirement policy with provision for exceptions to meet particular needs, we then discussed the types of exceptions that could be identified and action recommended in advance. General agreement was reached on the following:

(1) There should be no general exception for employees who argue that at the time they entered on duty they were led to believe (or now believe) that they had the right to work until age 65 or 70.

(2) There is a small group (12) of Agency employees who will not have 12 years of creditable service by their scheduled retirement

to remain on duty until they accumulate 12 years of service when they earn the right to continue important statutory hospitalization and life insurance coverage.

(3) As originally conceived, our early retirement policy expected employees to retire at age 60 with 30 years of service or at age 62 with at least five years of service. When the Civil Service Retirement Act was amended in 1966 to include a provision for optional retirement at age 60 with 20 years of service, Agency policy was in turn revised. There were some employees who prior to the revision in Agency policy had been informed that their scheduled retirement would be at age 62 and presumably planned accordingly. With the change, their scheduled retirement age was lowered. We feel that these employees should be permitted to remain on duty until age 62, their original scheduled date, if they so request. This does not include those employees who at age 60 have at least 30 years of service since this was a requirement under the earlier Agency policy.

(4) An overall exception should be made for the group of printers (57) who were induced to transfer from the Government Printing Office to the Agency with the assurance that they would not lose any benefits.

(5) There should be no overall exception for lower graded clerical employees. Each such case should be considered on its own merits.

(6) There should be no overall exception for employees with technical skills in grades GS-7 and below even though it might be difficult to recruit replacements and their loss would create training problems. Each such case should be considered on its own merits.

because they are writing Agency history.

4. Also discussed at this meeting was the matter of compensating employees who retire early under either the Civil Service Retirement or the CIA Retirement systems. This issue was tabled pending further study.

5. It is recommended that

a. the Director reaffirm as Agency policy that employees covered by Civil Service Retirement be required (not merely "encouraged" or "expected" as currently stated in Agency regulations) to retire upon reaching age 60 or as soon thereafter as they are eligible for optional retirement, i. e., age 60 with 20 years of service or age 62 and a minimum of five years of service.

b. the mandatory age for retirement under the CIA Retirement and Disability System be set at age 60 for employees GS-18 or above, as it is by statute for employees GS-17 and below, and

c. overall exceptions as indicated in paragraphs 3c. (2), (3), and (4) above be approved and that the Director of Personnel be authorized to approve exceptions for the employees affected.

L. K. White
Executive Director-Comptroller

Atts: 2
Concur:

Concur:

Deputy Director
for Support

Deputy Director
for Plans

Deputy Director
for Intelligence

Deputy Director
for Science and Technology

General Counsel

Inspector General

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SUBJECT : Retirement Policy

The recommendations contained in paragraph 5 are approved.

Richard Helms
Director of Central Intelligence

Date

Distribution:

- 0 - Return to D/Pers
- 1 - Director
- 1 - Deputy Director
- 1 - ER
- 2 - DDS
- 1 - DDP
- 1 - DDI
- 1 - DDS&T
- 1 - Gen. Counsel
- 1 - IG
- 1 - C/BSD
- 1 - D/Pers (w/held)

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A

RETIREMENT POLICY

I. GENERAL

- A. The Director has unquestioned legal authority to enforce an early retirement policy.
- B. Legislation of any kind is difficult to obtain. Hence, we must first try to settle those things which we can do without legislation and then proceed to those things which are desirable but which would require legislation.

II. DISCUSSION

- A. Should CIA have an early retirement policy, i.e., retirement earlier than the law normally requires? If so, what is the rationale?
- B. At what age should retirement normally be required?
- C. Should the policy be the same for personnel serving under different retirement systems, i.e., Civil Service and CIA?
- D. Should it be the same for all components or career services of the Agency?
- E. Should there be exceptions for:
 - 1. Personnel who at the time they joined CIA thought or were led to believe, or now believe, that they had the right to work until age 65 or 70? (The law is, of course, controlling under the CIA System.)
 - 2. Those who do not have twelve years of creditable service at retirement age? (This is important for insurance benefits.)
 - 3. Those not yet age 62 who do not have twenty years of service? (This assumes that the answer to B above is something lower than age 62.)

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4. Those who until 1967 were exempted until age 62?
(They have not had the many years of advance notice given to other employees.)

5. The GPO group (57 people) who were induced to transfer from GPO to CIA with the assurance that they would not lose any benefits?

6. All Wage Board employees of the Printing Services Division?

7. Wage Board employees generally?

8. Lower-graded clerical and blue-collar workers?

9. Those with technical skills in grades GS-7 and below for whom it is difficult to recruit replacements and whose loss would create training problems (Communications and Finance)?

10. Those individuals of unusual qualifications who cannot readily be replaced?

11. Those for whom a short-term extension is needed in order to train a replacement?

12. Those writing histories?

III. PROBLEMS REQUIRING FURTHER STUDY AND/OR LEGISLATION

A. Recompense, in addition to the annuity now provided by law, for persons who retire early

1. Under the Civil Service Retirement System.

2. Under the CIA Retirement System.



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15 FEB 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Retirement Policy

B

1. This is to record the deliberations at a meeting called by the Executive Director-Comptroller at 1400, 8 February. Present were: Messrs. Bannerman; Duckett, Karamessines, Smith, Houston, [redacted] and Wattle. Colonel White distributed copies of the attached outline which provided an agenda for the meeting. He introduced the discussion by commenting on the two paragraphs of I., saying that if we cannot make the assumption of I.A., there was no purpose in the meeting. As to I.B., he elaborated on the point that because of our recent history of failure to get legislative action on other matters including annuity cost-of-living improvement, it seemed wise that we not plan to resolve our retirement questions through legislation but rather to do what we could within current authorities. The Deputy Directors were asked to comment, in turn, on the basic issue, II.A.

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2. Mr. Smith addressed himself to both questions. He could accept an early retirement policy only if it included provisions for liberal exceptions. He argued that his professional employees are professionals in the broader sense; i.e., that they were people who had prepared themselves through academic study for professional careers which could have been found outside the Agency and that in such outside employment arbitrary retirement for age was not a condition of employment. He agreed that there are management problems but that stringent managerial actions based on the Director's clear authority could accomplish the desired results. He argued that our circumstances in this Agency are not unique and that the rationale as presented in draft would not support early retirement as a policy. He recognized that there may be a rationale but he had yet to see it stated. Later, in expanding on his position, he said that any policy must accommodate both management and employee points of view. And finally, that should the Agency adopt a single retirement policy for both systems with a liberal policy for exception, it would be his practice in the Intelligence Directorate rather than to make extensions the exception for the rare individual, most professionals who were making an adequate contribution would be extended to age 62. Mr. Smith argued that we were attempting to establish long-range policy and should not let current personnel management problems be overriding.

3. Mr. Bannerman held the position that we need a policy of early retirement across the board to move out the old generation. There is a great need to introduce current skills and background--to update the professional and technical competence of the Support area. He argued that there should be a single policy though there are two systems. He said

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further that the use of the word "expected" in the present regulation caused mischief and was looked upon by his people as playing games--arguing, therefore, that there should be an unequivocal statement of Agency policy.

4. Mr. Karamessines said that he needed the earliest possible retirement age for three reasons. The first being the serious problem of covering the overseas employment of older people. He not infrequently found himself in the position of trying to send out a man who obviously by years and ability was senior to the ambassador in whose mission he would serve. Second, it was critically important that he maintain a high level of mental and physical vigor in his Career Service; the work is demanding and tiring. Third, he needed to provide the opportunity for dynamic career progression and referred to the ferment in the younger grade 13-14 group which, though not yet unmanageable, did exist and was of concern. He also raised the question of the management problems which would be generated if we had a different policy for the two systems.

5. Mr. Duckett said the Science and Technology Directorate would have minimal problems over the next few years although there are some for whom early retirement is desirable and necessary. He would urge reconsideration of the standards by which people are now put in the Agency System--it being his belief that this provided the proper instrument for handling those specific cases. He made the argument that we appeared in our efforts to get the CIA System to have established the need for two systems, and to argue now for a single policy--which in a sense seemed to be arguing for a single system--would seem to deny our earlier position. (Colonel White observed that we had tried to get a single system but that Congress had denied it.)

6. Mr. Houston, when asked for his comment, said that he personally likes an early retirement policy but that he was concerned with what he saw as a potentially serious political problem in an effort by the Agency to employ an early retirement policy, observing that Congress itself runs on the seniority principle and the idea of early departure was therefore likely to be unpopular there.

7. [redacted] fixed on an observation made earlier by Mr. Karamessines that a 30-year service formula rather than just age would be the best approach. He did recognize that age would have to be included and suggested that perhaps some combination of service and age that provided a decent annuity was the answer.

8. After further clarifying discussion, Colonel White summarized the sense of the group which was that there ought to be one age at which most employees should leave, but that the different components having different problems and different reasons for making exceptions should be provided within a fixed policy the opportunity to adapt to their respective

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conditions. Further, the statement of rationale should be redrafted to reflect the sense of the day's discussion, and should be in such form that the General Counsel could use it in court or before our constituents and also could be provided to all Agency employees to explain the Agency command position.

9. Consideration was then turned to II.E. of the attached where questions were raised about 12 possible exceptions. Taken by number the following agreements were reached:

- (1) There should be no general exception.
- (2) Yes.
- (3) Age 62 or 20 years of service, whichever comes first.
(In effect--current policy.)
- (4) Yes, if requested by the employee.
- (5) Yes.
- (6) Will be studied further by the Deputy Director for Support.
- (7)
- (8) No.
- (9) No.
- (10) These can be dealt with under the general policy.
- (11)
- (12) No.

10. The issues, under III., dealing with the problem of additional recompense which might require legislative action were left for further study by the General Counsel, Mr. Houston, and the Special Assistant to the Deputy Director for Support for Special Studies, [redacted]

/s/ Robert S. Wattles

Robert S. Wattles
Director of Personnel

Attachment

Distribution:

Orig & 1 - ExDir-Compt
1 - DD/S
1 - D/Pers Subj
1 - D/Pers Chrono
OD/Pers/RSWattles:hc (15 Feb 68) 3